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Central Intelligence Agency



Washington, D. C. 20505

22 May 1984

MEMORANDUM FOR: RADM John M. Poindexter
Deputy Assistant to the President for
National Security Affairs

The Honorable Michael H. Armacost
Under Secretary of State for Political Affairs

The Honorable Richard L. Armitage
Assistant Secretary of Defense
(International Security Affairs)

VADM Arthur S. Moreau, Jr.
Assistant to the Chairman, JCS

Don Gregg
Assistant to the Vice President for
National Security Affairs

FROM : Robert M. Gates
Deputy Director for Intelligence

1. Attached are responses to four questions raised at
Monday's CPPG. The responses address:

- The Status of Soviet Iraqi Relations
- Iraqi Motives for Escalation/Stability of the Regime
- Prospects for Preventing an Iraqi Collapse while
Stopping Iraqi Attacks Against Persian Gulf Shipping

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2. If there are additional aspects of these problems any of you would like addressed, please give me a call. Meanwhile, we are providing the intelligence update to principals with the PDB Thursday morning with copies to each of you either directly or by LDX.

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Robert M. Gates

Attachments: four
As Stated

cc: State
Howe, Director, Politico-Military Affairs
Montgomery, Director, INR
Raphel, DAS, NESA Affairs

bcc: DCI
DDCI

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DIRECTORATE OF INTELLIGENCE

22 May 1984

STATUS OF SOVIET-IRAQI RELATIONS

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Summary

Relations between Moscow and Baghdad have improved steadily since 1982 and are better now than they have been since the late 1970s. The Soviets have taken Iraq's side in the war with Iran and are Iraq's primary arms supplier. The political relationship continues to be limited, however, by fundamental differences over a variety of issues, a mutual mistrust and Moscow's concern not to antagonize Syria or completely close out its options in Iran.

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1. Deputy Prime Minister Ramadan's visit to Moscow last month underscored the steady improvement in Soviet-Iraqi ties, which President Saddam Husayn recently claimed "could not be better." The improvement is a result of Moscow's decision in the spring of 1982 to abandon its policy of equidistance toward Iran and Iraq and sign new arms deals with Baghdad. The following factors were central in the Soviet reversal:

- Iran's major battlefield victories in late 1981 and the first half of 1982 threatened Iraq. The Soviets presumably believed that if they did not aid Baghdad, Iraq might decide to accelerate its turn toward Western Europe, China, and even the United States.
- The USSR feared that an Iranian victory would lead to the spread of Khomeini's Islamic fundamentalism near its southern border.
- The Soviets had concluded that the prospects for the Iranian revolution swinging to the left were becoming slimmer and that the outlook for good bilateral ties was poor. They apparently believed that as long as Khomeini remained in power Soviet influence would be minimal.

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2. Soviet arms shipments to Iraq jumped sharply in 1982 to \$1.7 billion, and included a record tonnage of Soviet military equipment shipped to a Third World country in one year. Deliveries in 1983 decreased to \$1.3 billion, but Iraq still was the single largest recipient of Soviet arms in the Third World. Shipments thus far in 1984 are running roughly at the same level as last year. Deliveries in 1983-84 have included:

- Seventeen Scud surface-to-surface missiles, the first received since 1979.
- Nine AS-9 air-to-surface missiles, the first received since 1981.
- Approximately 65 fighter aircraft.

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3. Shipments of the Scud missiles has been particularly galling to Tehran. The Iraqis have been using Scuds against Iranian cities for almost two years, and the Iranians have publicly blamed the Soviets. The missile has the range but is not accurate enough unless fired in large numbers to be used effectively against Iranian oil facilities on Khark Island. The USSR does not have a tactical anti-ship missile comparable to the French Exocet, which the Iraqis have been using in attacks on tankers. The Soviets could provide the Iraqis with large unguided rockets and laser guided bombs that could be carried by fighter aircraft for use against such ships. In addition, the AS-9 anti-radar missile could be used against the air defense radars on Khark Island.

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4. Ramadan and Minister of State for Military Affairs Shanshal apparently discussed new arms purchases with the Soviets during their April visit to Moscow. Iraq was seeking SU-24 light bombers and the more accurate SS-21 and SS-12 surface-to-surface missiles. The 120 km SS-21, which Moscow exported for the first time last year to Syria, is replacing the FROG--already in the Iraqi inventory--with Soviet ground forces. The Soviets may well eventually provide Baghdad with the SS-21. They are less likely to sell the SU-24 and the 925 km SS-12, however, because the Iraqis could use them to expand the war and the Syrians and Israelis might view the weapons' long range as destabilizing.

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5. There are limits, however, to Soviet military support for Iraq. The Soviets apparently do not want a clear winner in the war, escalation in the fighting in the Persian Gulf or a Soviet supplied weapons system to be responsible for an Iranian defeat. This may be the reason they have not supplied Baghdad with advanced anti-ship weapons.

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6. Despite the deterioration in the Soviets' relations with the Khomeini regime, we believe they still consider Iran more important geopolitically than Iraq and will want to avoid more dramatic moves in support of Baghdad that might convince some Iranian leaders to rethink their hostility toward the United States. Moreover, the Soviets do not have a major stake in Saddam's survival. The Kremlin and Saddam still have deep differences over Afghanistan, Soviet

support for Syria and the role of the Iraqi Communist Party and share a mutual distrust of each other. [REDACTED]

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7. In weighing the effects of their support for Iraq on their ties with Syria, the Soviets want to avoid antagonizing President Assad. Damascus is Moscow's most important ally in the Middle East and a supporter of Iran, and a close relationship with his arch-enemy, Saddam, would endanger Soviet-Syrian relations. Moscow's efforts to mend the rift between Baghdad and Damascus, in fact, have been rebuffed by Assad. [REDACTED]

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22 May 1984

Iraqi Motives for Escalation

At the time Iraq began its recent escalation of the war in the Persian Gulf Saddam was firmly in power and the military situation had stabilized in Iraq's favor. Baghdad had just defeated an Iranian offensive, military morale reportedly was high and negotiations were progressing on the pipelines through Saudi Arabia and Jordan. The Iraqis have been gradually increasing the frequency of attacks on shipping in the Gulf since last fall when they publicly declared their intention to curtail Iranian oil exports. This represents the continuation of Iraq's long-term strategy to weaken Iran and force it to the negotiating table rather than a move of desperation [REDACTED]

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At present President Saddam Husayn appears to maintain a firm grip on Iraq and the Iraqi populace supports the war against Iran. The Iraqis appear confident of their short-term ability to blunt Iranian military attacks but believe that Tehran must be brought to the negotiating table because attrition favors Iran in the long-term. [REDACTED]

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Baghdad's short-term military and economic prospects are reasonably good. The Iraqis beat back an Iranian land offensive in February, inflicting over 25,000 Iranian casualties, and their defensive preparations and Iranian logistical problems apparently have led Tehran to postpone repeatedly what the Iranians have called the "decisive" offensive. We continue to judge that Iraq will be able to contain the next Iranian offensive as long as Iraqi commanders do not make critical mistakes. Iraq's economic decline also has stabilized in 1984, albeit at lower levels of imports. Credits from the USSR and Western trading partners as well as financial and oil aid from its Gulf allies will enable Iraq to maintain imports of civilian and military goods at current levels. Baghdad also can expect a modest increase in oil revenues through the expanded oil pipeline to Turkey. If Baghdad could complete either the Saudi or Jordanian pipeline, its economic problems would be significantly alleviated. Without additional revenues, economic difficulties will mount in 1985 when deferred payments of the previous two years begin to fall due. [REDACTED]

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Iraq would not face immediate defeat if forced to halt the current escalation in the Gulf. Baghdad, however, would have to deal with an indefinite war of attrition punctuated by large Iranian offensives. In such a situation Iraq would worry that it might face ultimate collapse. Its population is increasingly weary of the war that already has cost them over 300,000 dead and wounded. [REDACTED]

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22 May 1984

Preventing An Iraqi Collapse While Stopping Iraqi Attacks
Against Shipping in the Persian Gulf

The Iraqi regime is in no imminent danger from internal opposition and does not need external aid to maintain control. Despite almost four years of inconclusive warfare against Iran, the Iraqi people continue to support the government's war effort. Although the economy has suffered considerably from the loss of oil revenue, we believe Iraqi economic problems have been stabilized. We continue to estimate the Iranians will not be able to achieve a decisive victory so long as Iraqi commanders avoid making critical mistakes. [REDACTED]

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The Iraqi Armed Forces are well supplied and trained, and have no significant qualitative or quantitative needs that the West could fill. [REDACTED]

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[REDACTED] There is a chance that a serious error by incompetent Iraqi commanders could result in a major defeat and cause the military to unravel, but there is nothing the West can do to prevent that. [REDACTED]

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Short of direct foreign military intervention against Iraq, Baghdad is not likely to cease attacks on shipping in the Persian Gulf. Iraq sees these operations as an effective means to force Tehran to negotiate an end to the war. Without this option, the Iraqis believe they would be locked into a war of attrition that Tehran would win over the long-term. Cutting supplies of Western arms to Iraq probably would not reduce Iraqi attacks. [REDACTED] suggests Iraq has at least 100 Exocet missiles in-country. Assuming half are compatible with the Super Etendards, Iraq has sufficient missiles to launch attacks for the next three months at the present rate. Iraq also could begin using its Soviet aircraft to attack Gulf shipping although such attacks are likely to be much less effective than those using French aircraft armed with Exocets. [REDACTED]

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Moreover, Baghdad will react strongly to any attempt to block the supply of Exocet missiles from France. Such an embargo would not only render Iraq's five Super Etendard aircraft useless, but also would call into question the effectiveness of the at least 10 Mirage F-1 aircraft configured to carry Exocet which France is to deliver this summer. Baghdad likely would threaten to severely reduce the entire French-Iraqi relationship, pressure Paris would find difficult to resist. Baghdad also would blame the US and draw closer to the Soviets, particularly if the Soviets provided a missile to replace the Exocet. [REDACTED]

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Iraq might temporarily cease shipping attacks if the West supported an effective arms embargo against Iran or pledged to support the construction of an Iraqi oil pipeline across Saudi Arabia or Jordan. The pipelines would [REDACTED]

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[redacted]

allow Iraq, at least economically, to continue the war indefinitely. The Saudi pipeline, the quickest alternative, could add about \$5 billion annually to Iraqi oil income within a year. The Jordanian pipeline could boost revenue by \$10 billion, raising oil earnings capability to pre-war levels. Nonetheless, Baghdad probably would eventually resume its efforts to cripple Iran's oil lifeline. A threatened loss of support from its Arab Gulf allies might also cause Iraq to cease attacks temporarily. We see no evidence, however, that the Gulf states' support for Baghdad is weakening. [redacted]

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